



# Chelverton

ASSET MANAGEMENT LTD

## Monthly Fact Sheet 30 April 2012

<b>Launch Date</b>	4th December 2006
<b>Fund Size</b>	£36.1m
<b>Historic Yield (%)*</b>	6.42

### Share Price (as at 30.04.12)

Shares	Income	Accumulation
Retail	67.63p	91.63p
Institutional	69.34p	97.43p

## Fund Managers



### David Horner

qualified as a chartered accountant in 1984 with Touche Ross & Co before joining 3i Corporate Finance Limited in 1986

where he was a manager giving corporate finance advice. In May 1993 he joined Strand Partners Limited, and was appointed a director in January 1994, where he carried out a range of corporate finance assignments identifying, structuring and managing investments in quoted and unquoted companies. In October 1997 he left to set up Chelverton Asset Management Limited and was responsible for setting up, in May 1999, the Small Companies Dividend Trust, which he still manages. He has co-managed the Chelverton UK Equity Income Fund since launch.



### David Taylor

began his career as an analyst in the research department at Wedd Durlacher and moved into fund management in

1987 with the Merchant Navy Officers Pension Fund. He joined Gartmore Investment Limited in 1991, during this time, he ran a combination of institutional funds and investment trusts, namely the Clydesdale Investment Trust and London & Strathclyde Trust. In 1995, he moved to LGT to manage small cap retail funds and latterly spent nearly seven years as head of UK smaller companies at HSBC Asset Management. He joined Chelverton Asset Management in January 2006 and has co-managed the Chelverton UK Equity Income Fund since launch.

\*The historic yield reflects distributions over the past 12 months as a percentage of the bid price of the retail share class as at the date shown. It does not include any initial charge and investors may be subject to tax on their distributions.

# PFS Chelverton UK Equity Income Fund

## Investment Objective and Policy

The objective of the Fund is to provide a progressive income stream and achieve long-term capital growth by investing primarily in a portfolio of fully listed and AIM traded UK equities. The Fund will invest in UK companies which aim to provide a high initial dividend, progressive dividend payments and longterm capital appreciation.

## Monthly Manager Commentary

The recent elections in France and Greece dominate the headlines as the macro debate now centres around 'austerity' or 'growth'. We are inclined to believe that the current option will prevail but by bringing the issues within the Euro-zone back onto the front pages we expect volatility to increase in financial markets over the coming months. The last month was a quiet one for corporate results although, pleasingly, the ratio of earnings upgrades to downgrades for the UK remained in positive territory. After an encouraging reporting season in the previous month when our Company's were able to highlight their cash flow and dividend attractions to the market there was no catalyst to move prices forward last month and there was no real sector or 'style' leadership amongst UK equities. Investors focus switched towards 'top down' considerations which, by and large, continued to disappoint.

Despite the mixed signals from the macro data, domestic earnings growth forecasts for UK plc of low single digit percentages look achievable and are, we believe, supportive of current equity valuations. We added two new stocks to the fund. Fidessa sells its propriety software trading systems to both the buy and sell sides on a Global basis, but growth has slowed recently as brokers and fund managers have merged. The Company is conservatively accounted, has substantial cash balances and we believe will begin to grow strongly again as markets improve over the next few years. Talk Talk has substantial scope to improve operating performance, reduce churn and upsell to existing customers. They will also be integral in the roll out of YouView TV. As an investment theme we are attracted to stocks that can improve margins by a programme of 'self help' which provides a degree of protection against the macro cycle. Funds were raised to invest in these stocks by top slicing some of our stronger performing larger weightings such as Melrose, Moneysupermarket.com and Diploma, and this also gave us a small yield pick-up.

## Cumulative Performance

	1 m	3 m	YTD	1 yr	3 yrs	5 yrs
Fund (%)	-0.63	5.19	12.09	-0.51	80.77	-10.88
Sector Rank	63/104	12/104	1/104	48/99	2/91	64/80
Quartile Ranking	3rd	1st	1st	2nd	1st	4th
IMA UK Equity Income (%)	-0.53	3.29	6.02	-0.86	46.71	-1.51
FTSE All Share (%)	-0.33	2.96	5.76	-2.00	52.19	6.48

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 30.04.2012

## Discrete Annual Performance

	29.04.11 30.04.12	30.04.10 29.04.11	30.04.09 30.04.10	30.04.08 30.04.09	30.04.07 30.04.08
Fund (%)	-0.51	22.25	48.62	-32.31	-27.16

Source: Lipper, NAV to NAV, Retail Inc shares, Total Return to 30.04.2012

## Dividend History

	Q1	Q2	Q3	Q4	Total
2010	0.60p	0.80p	0.80p	1.68p	3.88p
2011	0.63p	0.85p	0.85p	1.97p	4.30p
2012	0.67p				0.67p

History of dividends declared per retail share. Source: Chelverton Asset Management Limited



# PFS Chelverton UK Equity Income Fund

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**ACD**  
Phoenix Fund Services Ltd

**Investment Advisor**  
Chelverton Asset Management Ltd

**Administrator**  
Phoenix Fund Services Ltd

**Income Paid** Quarterly

**XD Dates** 31st March, 30th June,  
30th September, 31st December

**Valuation** 12 Noon, Daily

### SEDOL Codes

	Income	Accumulation
Retail	B1FD624	B1Y9J46
Institutional	B1FD646	B1Y9J57

### Initial Charge (%)

Retail	5.0
Institutional	0.0

### Annual Management Fee (%)

Retail	1.5
Institutional	0.75

### Minimum Investment

Retail	£1,000
Institutional	£100,000

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### FURTHER INFORMATION

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## Top 20 Holdings

Holding	Sector	% of Portfolio
1. Moneysupermarket.com	Speciality & Other Finance	2.57
2. Melrose	Industrial Engineering	2.33
3. Tui Travel	Leisure, Entertainment & Hotels	2.28
4. Micro Focus International	Software & Computer Services	2.27
5. Menzies (John)	Support Services	2.11
6. Mecom Group	Investment Companies	2.08
7. BBA Aviation	Engineering & Machinery	2.05
8. Brammer	Support Services	2.00
9. RPC Group	Packaging	2.00
10. Beazley	Insurance	1.98
11. Keller Group	Engineering & Machinery	1.97
12. Hilton Food Group	Food Producers & Processors	1.94
13. Brewin Dolphin Holdings	Speciality & Other Finance	1.94
14. Office2Office	Support Services	1.86
15. Cineworld Group	Leisure, Entertainment & Hotels	1.85
16. RWS Holdings	Support Services	1.82
17. 4imprint	Media & Photography	1.82
18. United Business Media	Media & Photography	1.82
19. Premier Farnell	Electronic & Electrical Equipment	1.80
20. Smiths News	Industrials	1.79

Source: Chelverton Asset Management Limited

## Market Cap Breakdown

	% of Portfolio	No of Stocks
Above £1bn	11.85	7
£500m - £1bn	25.87	15
£250m - £500m	19.70	12
£100m - £250m	21.72	15
Below £100m	18.78	22
Cash & Income	2.08	-
Total	100.00	71

Source: Chelverton Asset Management Limited

Disclaimer: This fund invests in smaller companies and carries a higher degree of risk than funds investing in larger companies. The shares of smaller companies may be less liquid and their performance more volatile over shorter time periods. The fund can also invest in smaller companies listed on the Alternative Investment Market (AIM) which also carry the risks described above. This document is provided for information purposes only and should not be interpreted as investment advice. If you have any doubts as to the suitability of an investment, please consult your financial adviser. The information contained in this document has been obtained from sources that Chelverton Asset Management Limited ("CAM") considers to be reliable. However, CAM cannot guarantee the accuracy or completeness of the information provided, and therefore no investment decision should be based solely on this data. Past performance is not a guide to future performance. This document is issued by CAM, Authorised and regulated by the Financial Services Authority. This document does not represent a recommendation by CAM to purchase shares in this Fund. We recommend private investors seek the services of a Financial Adviser. Phoenix Fund Services (UK) Ltd are the Authorised Corporate Director of this fund and prospectuses for the fund are obtainable directly from them. Please email pfsinfo@phoenixfundservices.com or call +44 (0) 1245 398 950.